

6091

RECORDATION NO. _____ Filed & Recorded

MAR 31 1971 - 1 30 PM

INTERSTATE COMMERCE COMMISSION

Security Agreement—

Trust Deed

dated as of

March 31, 1971

AMONG

BANKERS TRUST COMPANY
as Trustee

AND

COMMONWEALTH LIFE INSURANCE COMPANY

AND

INDUSTRIAL LEASING CORPORATION

SECURITY AGREEMENT—TRUST DEED

SECURITY AGREEMENT—TRUST DEED (the "Security Agreement") dated as of March 31, 1971, among BANKERS TRUST COMPANY, Trustee under a Trust Agreement dated as of February 4, 1971 (the "Debtor"), having its principal office at 16 Wall Street, New York, New York 10015, COMMONWEALTH LIFE INSURANCE COMPANY (the "Secured Party"), having its principal office at Fourth and Broadway, Louisville, Kentucky 40202, and INDUSTRIAL LEASING CORPORATION (the "Settlor"), having its principal place of business at 111 Westminster Street, Providence, Rhode Island 02903.

RECITALS:

A. The Debtor and the Secured Party have entered into the Loan Agreement dated as of March 31, 1971 (the "Loan Agreement") providing for the commitment of the Secured Party to make loans to the Debtor from time to time on or before January 15, 1972, not exceeding the aggregate principal amount of \$3,280,000 to be evidenced by 8½% Secured Notes (the "Notes") of the Debtor, said Notes to bear interest at the rate of 8½% per annum prior to maturity and to mature in 49 semi-annual installments including both principal and interest with a final installment payable not later than July 15, 1996, and to be otherwise substantially in the form attached as Exhibit 1 to said Loan Agreement.

B. The Notes and all principal thereof and interest (and premium, if any) thereon and all additional amounts and other sums at any time due and owing from or required to be paid by the Debtor under the terms of the Notes, this Security Agreement or the Loan Agreement are hereinafter sometimes referred to as "indebtedness hereby secured".

SECTION 1. *Grant of Security.*

The Debtor in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Notes according to their tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all covenants and conditions in the Notes and in this Security Agreement and in the Loan Agreement contained, does hereby sell, convey, warrant, mortgage, assign, pledge, grant and set over unto the Secured Party, its successors in trust and assigns, a security interest in, all and singular of all of the Debtor's right, title and interest in and to the properties, rights, interests and privileges described in

Sections 1.1 and 1.2 hereof (all of which properties hereby mortgaged, assigned and pledged or intended so to be are hereinafter collectively referred to as the "Collateral").

1.1. *Railroad Equipment Collateral.* Collateral includes the railroad equipment described in Schedule 1 attached hereto and made a part hereof (hereinafter referred to collectively as the "Equipment" and individually as an "Item of Equipment") constituting Equipment leased and delivered under that certain Lease of Railroad Equipment dated as of February 4, 1971 (the "Lease") between the Debtor, as lessor, and Union Carbide Corporation, a New York corporation, as lessee (the "Lessee"); together with all accessories, equipment, parts and appurtenances appertaining or attached to any of the Equipment hereinabove described, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment together with all the rents, issues, income, profits and avails therefrom.

1.2. *Rental Collateral.* Collateral also includes the Lease and all rents and other sums due and to become due the Debtor thereunder including any and all extensions or renewals thereof insofar as the same cover or relate to the Equipment (excepting and reserving, however, to the Debtor until an event of default shall have occurred hereunder the right to receive all such rents and other sums).

1.3. *Exceptions to Security Interest.* The Security Interest granted by this Section 1 is subject to (a) the right, title and interest of the Lessee under the Lease (including, without limitation, the right of the Lessee to remove certain parts, accessories, equipment or devices without accounting therefor pursuant to Section 8 of the Lease and the right of the Lessee to receive certain proceeds and mileage allowances pursuant to Sections 11.5, 11.11 and 17.2 of the Lease), and (b) the lien of current taxes and assessments not in default, or, if delinquent, the validity of which is being contested in good faith.

1.4. *Duration of Security Interest.* The Secured Party, its successors in trust, and assigns shall have and hold the Collateral forever, without preference, priority or distinction of any Note over any other Note by reason of priority in the time of issue, sale, negotiation, date of maturity thereof or otherwise for any cause whatsoever; provided always, however, that such security interest is granted upon the express condition that if the Debtor shall pay or cause to be paid all the indebtedness hereby secured and shall observe, keep and perform all the terms and conditions, covenants and agreements herein and in the Loan Agreement and the Notes contained, then these

presents and the estate hereby granted and conveyed shall cease and this Security Agreement shall become null and void; otherwise to remain in full force and effect.

SECTION 2. *Covenants and Warranties of the Debtor and the Settlor.*

2.1. *Debtor's Warranties.* The Debtor makes (i) no representation or warranty as to the value, condition or fitness for use of any of the Collateral or as to its title thereto, or any other representation or warranty with respect to the Collateral whatsoever except that the Debtor hereby represents and warrants that it has received whatever title was conveyed to it by the Manufacturer and that the Collateral shall be free of liens and encumbrances which may result from claims against the Debtor not related to the ownership of the Collateral or the administration of the Trust Estate and (ii) no representation or warranty as to the validity, legality or enforceability of this Security Agreement, the Notes, the Trust Agreement, the Lease, the Loan Agreement or any supplement or amendment to any of the foregoing documents or as to the correctness of any statement contained in any such documents except that the Debtor hereby represents and warrants that this Security Agreement and each of said other documents has been or will be executed and delivered by an officer of Debtor who is and will be duly authorized to execute and deliver such document on its behalf.

2.2. *Settlor's Covenants.* The Settlor agrees that by the Trust Agreement it has authorized the Debtor to enter into and perform fully this Security Agreement and that it will not take any action which will in any way impair the authority of the Debtor to continue to perform fully this Security Agreement and the Loan Agreement. The Settlor agrees that it will take all necessary action to maintain and preserve the lien of this Security Agreement including, without limitation, the filing, refiling, recording and rerecording of this agreement and any supplements hereto pursuant to Section 20c of the Interstate Commerce Act and of any financing and continuation statements and similar notices required by applicable law so long as any Notes are outstanding. The Settlor will promptly furnish to the secured party after the execution and delivery of this Security Agreement and of each supplement hereto an opinion of counsel acceptable to the Secured Party stating that in the opinion of such counsel this Security Agreement or such supplement hereto has been properly recorded and filed so as to make effective the lien on the Collateral intended to be created hereby reciting the details of such action and that all taxes and recording or filing fees in connection therewith have been paid.

2.3. *Supplements.* The Debtor further agrees that prior to or concurrently with each subsequent Closing Date, if any, referred to in the Loan Agreement

the Debtor will execute and deliver a supplement (a "Supplement") to this Security Agreement satisfactory in form and content to the Secured Party specifically describing as part of the Collateral all Items of Equipment sold and delivered to the Debtor and accepted by the Lessee under the Lease subsequent to the date of this Security Agreement or the last preceding Supplement executed and delivered by the Debtor pursuant to this Section.

2.4. *After-acquired Property.* Any and all property described or referred to in the granting clauses hereof and not excepted from the Security Interest hereof by Section 1.3 which is hereafter acquired shall ipso facto, and without any further conveyance, assignment or act on the part of the Debtor or the Secured Party become and be, subject to the security interest herein granted as fully and completely as though specifically described herein, but nothing in this Section 2.4 contained shall be deemed to modify or change the obligation of the Debtor under Section 2.3 hereof.

2.5. *Modifications of the Lease.* The Debtor will not:

(a) declare a default or exercise the remedies of the lessor under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification, surrender or termination of, the Lease (except as otherwise expressly provided herein) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease or any part thereof; or

(b) receive or collect or permit the receipt or collection of any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Secured Party hereunder) any rent payment then due or to accrue in the future under the Lease in respect of the Equipment except that this restriction shall not apply to the initial installment of Periodic Rent under the Lease; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Secured Party hereunder or to any successor Trustee under the Trust Agreement referred to above) its interest in the Equipment or any part thereof or in any amount to be received by it from the use or disposition of the Equipment.

2.6. *Power of Attorney in respect of the Lease.* Debtor does hereby irrevocably constitute and appoint the Secured Party, its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all rents, income and other sums which are assigned under Section 1.1 and Section 1.2 hereof with full power to settle, adjust or compromise any

claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such rents and other sums and the security intended to be afforded hereby.

SECTION 3. *Possession, Use and Release of Property.*

3.1. *Possession of Collateral.* So long as no default hereunder shall have occurred, Debtor shall be suffered and permitted to remain in full possession, enjoyment and control of the Equipment and to manage, operate and use the same and each part thereof with the rights and franchises appertaining thereto; provided, always, that the possession, enjoyment, control and use of the Equipment shall at all times be subject to the observance and performance of the terms of this Security Agreement. It is expressly understood that the use and possession of the Equipment by the Lessee under and subject to the Lease shall not constitute a violation of this Section 3.1.

3.2. *Release of Equipment.* So long as no default referred to in Section 14 of the Lease has occurred and is continuing to the knowledge of the Secured Party, the Secured Party shall execute a release in respect of any Item of Equipment designated by the Lessee for settlement pursuant to Section 11 of the Lease upon receipt of: (i) written notice from the Lessee designating the Item of Equipment in respect of which the Lease will terminate and (ii) settlement by the Lessee for such Item of Equipment in compliance with Section 11 of the Lease.

3.3. *Release of Equipment—Consent of Noteholders.* In addition to the sale, exchange or release pursuant to Section 3.2 hereof, the Debtor may sell or otherwise dispose of any Equipment then subject to the lien of this Security Agreement, and the Secured Party shall release the same from the lien hereof to the extent and on the terms and upon compliance with the conditions provided for in any written consent given thereto at any time or from time to time by the holder or holders of the indebtedness hereby secured.

3.4. *Release of Equipment—Expiration of Term.* So long as no default referred to in Section 14 of the Lease has occurred and is continuing to the knowledge of the Secured Party, the Secured Party shall execute a release in respect of any Item of Equipment in the event that (i) the Note or Notes issued to finance the acquisition of such Item have been fully paid and dis-

charged and (ii) the term of the Lease for such Item has expired by lapse of time.

3.5. *Protection of Purchaser.* No purchaser in good faith of property purporting to be released hereunder shall be bound to ascertain the authority of the Secured Party to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser, in good faith, of any item or unit of the Collateral be under obligation to ascertain or inquire into the conditions upon which any such sale is hereby authorized.

SECTION 4. *Application of Assigned Rentals and Certain Other Monies Received by the Secured Party.*

4.1. *Application of Rents.* As more fully set forth in Section 1.2 hereof the Debtor has hereby granted to the Secured Party a security interest in rents, issues, profits, income and other sums due and to become due under the Lease in respect of the Equipment as security for the Notes. For convenience in administration of the security, each Note will list the Certificates of Acceptance (the "Certificates") covering the particular Items of Equipment financed with the proceeds of such Note. So long as no event of default as defined in Section 5 hereof has occurred and is continuing the amounts from time to time received by the Secured Party in connection with settlement by the Lessee of the "Casualty Value" or the "Termination Value" of an Item of Equipment described in any Certificate pursuant to Section 11 of the Lease shall be paid and applied on the Note or Notes listing such Certificate in an amount to be determined by multiplying the aggregate principal amount of the Notes outstanding by a fraction of which the numerator shall be the Invoice Cost for the Equipment with respect to which any such payment was received and of which the denominator shall be the aggregate Invoice Cost for all Equipment leased under the Lease (reduced by the aggregate Invoice Cost for all Items of Equipment as to which Casualty Value and Termination Value have been paid). Each of the remaining installments of such Note or Notes shall be reduced in the proportion that the principal amount of the prepayment bears to the unpaid principal amount of such Note or Notes immediately prior to the prepayment.

4.2. *Multiple Notes.* If, at the time any application is made pursuant to Section 4.1 a Certificate is listed in more than one Note, the application shall be made on the several Notes listing the Certificate ratably in accordance with the principal amount remaining unpaid thereon and on the installments of each Note, respectively, in the manner provided for by Section 4.1.

4.3. *Default.* If an event of default referred to in Section 5.1 hereof has occurred and is continuing, all amounts received by the Secured Party pursuant to Section 1.2 hereof shall be applied in the manner provided for in Section 5 in respect of proceeds and avails of the Collateral.

SECTION 5. *Defaults and Other Provisions.*

5.1. *Events of Default.* The term "event of default" for all purposes of this Security Agreement shall mean one or more of the following:

(a) Default in payment of an installment of the principal of, or interest on, any Note when and as the same shall become due and payable, whether at the due date thereof or at the date fixed for prepayment or by acceleration or otherwise, and any such default shall continue unremedied for five calendar days; or

(b) An event of default as set forth in Section 14 of the Lease; or

(c) Default on the part of the Debtor in the due observance or performance of any covenant or agreement to be observed or performed by it under this Security Agreement or the Loan Agreement, and such default shall continue unremedied for fifteen calendar days after written notice from the Secured Party to the Debtor specifying the default and demanding the same to be remedied; or

(d) Any representation or warranty made herein or in the Loan Agreement or in any report, certificate, financial or other statement furnished in connection with this Security Agreement, the Lease or the Loan Agreement, or the transactions contemplated thereby shall prove to be false or misleading in any material respect as of the date of the issuance or making thereof and shall not be made good within thirty days after notice thereof from the Secured Party to the Debtor; or

(e) Any claim, lien or charge (other than the Lease and liens, charges, and encumbrances which the Lessee is obligated to discharge under Section 9 of the Lease) shall be asserted against or levied or imposed upon the Equipment which is prior to or on a parity with the security interest granted hereunder, and such claim, lien or charge shall not be discharged or removed within fifteen calendar days after written notice from the Secured Party or the holder of any Note to the Debtor and the Lessee demanding the discharge or removal thereof.

5.2. *Secured Party's Rights.* Debtor agrees that when any "event of default" as defined in Section 5.1 has occurred and is continuing, but subject always to Section 6 hereof, the Secured Party shall have the rights, options, duties and remedies of a secured party, and the Debtor shall have the rights and duties of a debtor, under the Uniform Commercial Code of New York

(regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

(a) The Secured Party may, by notice in writing to the Debtor, declare the entire unpaid balance of the Notes to be immediately due and payable; and thereupon all such unpaid balance, together with all accrued interest thereon, shall be and become immediately due and payable;

(b) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party personally or by agents or attorneys, shall have the right (subject to compliance with any applicable mandatory legal requirements) to take immediate possession of the Collateral, or any portion thereof, and for that purpose may pursue the same wherever it may be found, and may enter any of the premises of the Debtor, with or without notice, demand, process of law or legal procedure, and search for, take possession of, remove, keep and store the same, or use and operate or lease the same until sold, all after causing the removal and storage at Lessee's expense of any freight on board the Equipment;

(c) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may, if at the time such action may be lawful and always subject to compliance with any mandatory legal requirements, either with or without taking possession and either before or after taking possession, and without instituting any legal proceedings whatsoever, and having first given notice of such sale by registered mail to the Debtor once at least ten days prior to the date of such sale, and any other notice which may be required by law, sell and dispose of said Collateral, or any part thereof, at public auction to the highest bidder, in one lot as an entirety or in separate lots, and either for cash or on credit and on such terms as the Secured Party may determine, and at any place (whether or not it be the location of the Collateral or any part thereof) designated in the notice above referred to. Any such sale or sales may be adjourned from time to time by announcement at the time and place appointed for such sale or sales, or for any such adjourned sale or sales, without further published notice, and the Secured Party or the holder or holders of the Notes, or of any interest therein, may bid and become the purchaser at any such sale;

(d) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may proceed to protect and enforce this Security Agreement and said Notes by suit or suits or proceedings in equity, at law or in bankruptcy, and whether for the specific performance

of any covenant or agreement herein contained or in execution or aid of any power herein granted; or for foreclosure hereunder, or for the appointment of a receiver or receivers for the Collateral or any part thereof, or, subject to the provisions of Section 6 hereof, for the recovery of judgment for the indebtedness hereby secured or for the enforcement of any other proper, legal or equitable remedy available under applicable law; and

(e) Subject always to the then existing rights, if any, of the Lessee under the Lease, the Secured Party may proceed to exercise all rights, privileges and remedies of the Lessor under the Lease, and may exercise all such rights and remedies either in the name of the Secured Party or in the name of the Debtor for the use and benefit of the Secured Party.

5.3. *Acceleration Clause.* In case of any sale of the Collateral, or of any part thereof, pursuant to any judgment or decree of any court or otherwise in connection with the enforcement of any of the terms of this Security Agreement, the principal of the Notes, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Note or Notes and any claims for interest matured and unpaid thereon, in order that there may be credited as paid on the purchase price the sum apportionable and applicable to the Notes including principal and interest thereof out of the net proceeds of such sale after allowing for the proportion of the total purchase price required to be paid in actual cash.

5.4. *Waiver by Debtor.* The Debtor covenants that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any benefit or advantage of, any stay or extension law now or at any time hereinafter in force, nor claim, take nor insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Collateral or any part thereof, prior to any sale or sales thereof to be made pursuant to any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of the Debtor acquiring any interest in or title to the Collateral or any part thereof subsequent to the date of this Security Agreement, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to the Secured Party, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

(a) declare a default under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification, surrender or termination of, the Lease (except as otherwise expressly provided in the Indenture) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease; or

(b) receive or collect or permit the receipt or collection of any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Trustee under the Indenture) any rent payment then due or to accrue in the future under the Lease in respect of the cars; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Trustee under the Indenture) its interest in the cars or any part thereof or in any amount to be received by it from the use or disposition of the cars.

IN WITNESS WHEREOF, United has caused this instrument to be executed by its proper officers thereunto duly authorized and its

corporate seal to be hereunto affixed, as of the 1st day of April,
1971.

UNITED STATES RAILWAY EQUIPMENT CO.

by: *John C. Felt*

Its *President*

[CORPORATE SEAL]

ATTEST:

Conrad W. Ager
Trust Secretary

ACCEPTED:

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee as aforesaid

by: *Conrad W. Ager*

Its *President*

[CORPORATE SEAL]

ATTEST:

Malcolm
Trust Officer

of such party; and all the covenants, premises and agreements in this Security Agreement contained by or on behalf of the Debtor, the holder of any Note, the Settlor or the Secured Party, shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

7.2. *Partial Invalidity.* The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid, provided that nothing contained in this Section 7.2 shall be construed to be in derogation of any rights or immunities of the Debtor or the Settlor under Section 6 hereof or to amend or modify any limitations or restrictions of the Secured Party or the holder of any Note or their respective successors or assigns under said Section 6.

7.3. *Communications.* All communications provided for herein shall be in writing and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally or when deposited in the United States mail, registered, postage prepaid, addressed as follows:

If to the Debtor:	Bankers Trust Company 16 Wall Street New York, New York 10015 <i>Attention:</i> Corporate Trust Division
-------------------	---

If to the Secured Party:	Commonwealth Life Insurance Company Commonwealth Building Fourth and Broadway Louisville, Kentucky 40202 <i>Attention:</i>
--------------------------	---

If to the Settlor:	Industrial Leasing Corporation 111 Westminster Street Providence, Rhode Island 02903 <i>Attention:</i> President
--------------------	---

or to the Debtor or the Secured Party at such other address as the Debtor or the Secured Party may designate by notice duly given in accordance with this Section to the other party.

7.4. *Release.* The Secured Party shall release this Security Agreement and the security interest granted hereby by proper instrument or instruments

upon presentation of satisfactory evidence that all indebtedness secured hereby has been fully paid or discharged.

7.5. *Counterparts.* This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together only one Security Agreement.

7.6. *Headings.* Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be executed by their respective officers thereunto duly authorized and their corporate seals to be hereunto affixed as of the day and year first above written.

[CORPORATE SEAL]

BANKERS TRUST COMPANY

By

Title: VICE PRESIDENT

Debtor

Attest:

ASSISTANT SECRETARY

[CORPORATE SEAL]

COMMONWEALTH LIFE INSURANCE
COMPANY

By

Title:

Secured Party

Attest:

FINANCIAL SECRETARY

[CORPORATE SEAL]

INDUSTRIAL LEASING CORPORATION

By

Title: Vice President Settlor

Attest:

STATE OF NEW YORK
CITY AND COUNTY OF NEW YORK } ss.:

On this 30th day of March, 1971, before me personally appeared James F. Conlan, to me personally known, who being by me duly sworn, says that he is a VICE PRESIDENT of BANKERS TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said bank, that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

[SEAL]

My commission expires:

Christine Gerace
CHRISTINE GERACE
Notary Public, State of New York
No. 24-14071-17
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1971

STATE OF NEW YORK
CITY AND COUNTY OF NEW YORK } ss.:

On this 31st day of March 1971, before me personally appeared Stewart G. Shiner, to me personally known, who being by me duly sworn, says that he is Financial Director of COMMONWEALTH LIFE INSURANCE COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said company, that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[SEAL]

My commission expires:

Heidi Lee
Heidi Lee
Notary Public, State of New York
No. 24-14071-17
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1971

STATE OF NEW YORK
CITY AND COUNTY OF NEW YORK } ss.:

On this 31st day of March 1971, before me personally appeared Theodore L. Siladens, to me personally known, who being by me duly sworn, says that he is Vice President of INDUSTRIAL LEASING CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said company, that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[SEAL]

My commission expires:

Heidi Lee

SCHEDULE 1

Railroad Equipment Collateral

One Hundred (100) 5,250 cu. ft. lined covered hopper cars (Car Numbers UCFX 60192 through UCFX 60291, inclusive) manufactured by Shippers' Car Line, Division of ACF Industries, Incorporated, accepted pursuant to Certificates of Acceptance numbered 1 through 23, inclusive.

APR 30 1971 12 42 PM

INTERSTATE COMMERCE COMMISSION

ASSIGNMENT OF LEASE

WHEREAS, UNITED STATES RAILWAY EQUIPMENT Co., a corporation of the State of Illinois (hereinafter referred to as "United"), and CHICAGO-ROCK ISLAND-PACIFIC RAILROAD COMPANY -----, a corporation of the State of Delaware (hereinafter referred to as "Lessee"), have entered into a lease (herein called the "Lease") dated October 22, 1970, providing for the lease by United to the Lessee of 50,.....50-ton capacity cars, therein described (hereinafter referred to as the "Cars"); and

WHEREAS, the lease was recorded pursuant to the provisions of Section 20 (c) of the Interstate Commerce Act, as amended, on March 8, 1971, and was assigned recordation number 6073.

WHEREAS, CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO (hereinafter referred to as "Trustee"), a national banking association, with offices at 231 South LaSalle Street, Chicago, Illinois, has agreed to act as Trustee under a certain Agreement and Indenture (Security Agreement) (herein called the "Indenture") securing the loan of certain monies to United evidenced by United's notes, and United has agreed to assign all of its right, title and interest in and to the Lease to the Trustee as additional security for the notes under the Indenture.

Now, THEREFORE, for value received and upon the terms and conditions hereinafter set forth:

1. United does hereby sell, assign, transfer and set over to the Trustee all of the right, title and interest of United in and to the rentals and all other amounts payable by the Lessee or any other person, firm or corporation with respect to the Cars or under the Lease, except that any amount so payable shall continue to be paid to and received by United until and unless Trustee or United shall notify the Lessee or any successor to its interest that an Event of Default has occurred under the terms and provisions of the

Indenture and that payments are thereafter to be made to the Trustee; and in furtherance of this Assignment and transfer, United does hereby authorize and empower the Trustee in the event of notice of a default as aforesaid, in its own name to sue for, collect, receive and enforce all payments to be made by the Lessee under and in compliance on the part of the Lessee with the terms and provisions of the Lease, to exercise all of the rights of United under any of the provisions of the Lease, and in its discretion to take any action under the Lease or with respect to the Cars as United could have taken thereunder if it had not assigned and transferred its rights therein, provided that nothing herein shall obligate the Trustee to take any action under the Lease or in respect of the Cars.

2. United warrants and covenants (a) that on the date hereof title to the Cars is vested in United; that it has good and lawful right to sell and assign the same as provided in the Indenture and herein and that its right and title thereto is free from all liens and encumbrances; subject, however, in each case to the rights of the Lessee under the Lease and to the rights of the assignee hereunder, and (b) that notwithstanding this Assignment, it will perform and comply with each and all of the covenants and conditions in the Lease set forth to be complied with by United. United will cause notice of this Assignment forthwith to be given to the Lessee (together with a copy of this Assignment).

3. United represents and warrants that the Lease has been duly authorized and executed by it and covenants that it will, from time to time, at the request of the Trustee, make, execute and deliver all such further instruments of assignment, transfer and assurance and do such further acts and things as the Trustee may reasonably request to give effect to the provisions hereof and to confirm the right, title and interest hereby assigned and transferred to the Trustee or intended so to be.

4. Pursuant to the terms of the Indenture, United cannot without the prior consent of the Trustee:

(a) declare a default under, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification, surrender or termination of, the Lease (except as otherwise expressly provided in the Indenture) or by affirmative act consent to the creation or existence of any security interest or other lien to secure the payment of indebtedness upon the leasehold estate created by the Lease; or

(b) receive or collect or permit the receipt or collection of any rental payment under the Lease prior to the date for payment thereof provided for by the Lease or assign, transfer or hypothecate (other than to the Trustee under the Indenture) any rent payment then due or to accrue in the future under the Lease in respect of the cars; or

(c) sell, mortgage, transfer, assign or hypothecate (other than to the Trustee under the Indenture) its interest in the cars or any part thereof or in any amount to be received by it from the use or disposition of the cars.

IN WITNESS WHEREOF, United has caused this instrument to be executed by its proper officers thereunto duly authorized and its

corporate seal to be hereunto affixed, as of the 1st day of April,
1971.

UNITED STATES RAILWAY EQUIPMENT CO.

by: *John C. Felt*

Its *President*

[CORPORATE SEAL]

ATTEST:

Conrad W. Ager
Trust Secretary

ACCEPTED:

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee as aforesaid

by: *Conrad W. Ager*

Its *President*

[CORPORATE SEAL]

ATTEST:

Malcolm
Trust Officer

STATE OF ILLINOIS }
COUNTY OF COOK }

On this 28th day of April, 1921 before me personally
appeared John C. Tilton and Harold Selanfield
to me personally known, who being by me duly sworn, say that
they are, respectively, the President and ~~Trust~~ Asst.
Secretary-Officer of UNITED STATES RAILWAY EQUIPMENT Co., an Illinois
corporation, that the seal affixed to the foregoing instrument is the
corporate seal of said corporation, that said instrument was signed
and sealed on behalf of said corporation by authority of its Board
of Directors, and they acknowledged that the execution of the fore-
going instrument was the free act and deed of said corporation.

Dana L. Bernuth
Notary Public

My commission expires: 8-9-22

STATE OF ILLINOIS }
COUNTY OF COOK } ss

On this 23rd day of April, 19.... personally appeared
DONALD W. ALEVIN and M. A. CLARK, to me personally known,
who being by me sworn, did say that they are, respectively, a
..... ~~President~~ and Trust Officer of the CONTINENTAL ILLI-
NOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national
banking association, that the seal affixed to the foregoing instru-
ment is the corporate seal of said association, that said instru-
ment was signed and sealed on behalf of said corporation by au-
thority of its Board of Directors, and they acknowledged that the
execution of the foregoing instrument was the free act and deed
of said association.

G. Ahmink
Notary Public

My commission expires:

MARCH 21, 1923